

BABSON CAPITAL CORPORATE INVESTORS
Form N-Q
May 30, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

Quarterly Schedule of Portfolio Holdings of
Registered Management Investment Company

Investment Company Act file number 811-02183

Babson Capital Corporate Investors

(Exact name of registrant as specified in charter)

1500 Main Street, Springfield, MA 01115

(Address of principal executive offices) (Zip code)

Christopher A. DeFrancis, Vice President and Secretary
1500 Main Street, Suite 2800, Springfield, MA 01115

(Name and address of agent for service)

Registrant's telephone number, including area code: 413-226-1000

Date of fiscal year end: 12/31

Date of reporting period: 03/31/12

ITEM 1. SCHEDULE OF INVESTMENTS.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2012

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities - 96.70%: (A)				
Private Placement Investments - 93.56%				
A E Company, Inc. A designer and manufacturer of machined parts and assembly structures for the commercial and military aerospace industries.				
Common Stock (B)	323,077 shs.	11/10/09	\$ 323,077	\$ 244,565
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) * 11/10/09 and 11/18/09.	161,538 shs.	11/10/09	119,991	122,282
			443,068	366,847
A H C Holding Company, Inc. A designer and manufacturer of boilers and water heaters for the commercial sector.				
15% Senior Subordinated Note due 2015	\$ 2,653,766	11/21/07	2,622,751	2,653,766
Limited Partnership Interest (B)	23.16% int.	11/21/07	224,795	320,757
			2,847,546	2,974,523
A S A P Industries LLC A designer and manufacturer of components used on oil and natural gas wells.				
Limited Liability Company Unit Class A-2 (B)	1,276 uts.	12/31/08	140,406	588,303
Limited Liability Company Unit Class A-3 (B)	1,149 uts.	12/31/08	126,365	529,474
			266,771	1,117,777
A S C Group, Inc. A designer and manufacturer of high reliability encryption equipment, communications products, computing systems and electronic components primarily for the military and aerospace sectors.				
12.75% Senior Subordinated Note due 2016	\$ 2,318,182	10/09/09	2,065,362	2,341,364
Limited Liability Company Unit Class A (B)	4,128 uts.	*	405,691	541,802

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Limited Liability Company Unit				
Class B (B)	2,782 uts.	10/09/09	273,352	365,139
* 10/09/09 and 10/27/10.			2,744,405	3,248,305

A W X Holdings Corporation

A provider of aerial equipment rental, sales and repair services to non-residential construction and maintenance contractors operating in the State of Indiana.

10.5% Senior Secured Term Note				
due 2014 (D)	\$ 735,000	05/15/08	724,402	661,500
13% Senior Subordinated Note due				
2015 (D)	\$ 735,000	05/15/08	673,096	-
Common Stock (B)	105,000 shs.	05/15/08	105,000	-
Warrant, exercisable until 2015, to				
purchase				
common stock at \$.01 per share (B)	36,923 shs.	05/15/08	62,395	-
			1,564,893	661,500

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Advanced Technologies Holdings				
A provider of factory maintenance services to industrial companies.				
Preferred Stock Series A (B)	1,031 shs.	12/27/07	\$510,000	\$1,178,104
Convertible Preferred Stock Series B (B)	52 shs.	01/04/11	40,800	60,002
			550,800	1,238,106
Aero Holdings, Inc.				
A provider of geospatial services to corporate and government clients.				
10.5% Senior Secured Term Note due 2014	\$813,750	03/09/07	809,423	813,750
14% Senior Subordinated Note due 2015	\$1,260,000	03/09/07	1,188,865	1,260,000
	262,500			
Common Stock (B)	shs.	03/09/07	262,500	587,871
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	66,116 shs.	03/09/07	111,527	148,067
			2,372,315	2,809,688
All Current Holding Company				
A specialty re-seller of essential electrical parts and components primarily serving wholesale distributors.				
12% Senior Subordinated Note due 2015	\$1,140,317	09/26/08	1,075,505	1,140,317
Common Stock (B)	1,347 shs.	09/26/08	134,683	125,205
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	958 shs.	09/26/08	87,993	89,047
			1,298,181	1,354,569
American Hospice Management Holding LLC				
A for-profit hospice care provider in the United States.				
12% Senior Subordinated Note due 2013	\$3,187,495	*	3,130,441	3,187,495
Preferred Class A Unit (B)	3,223 uts.	**	322,300	610,032
Preferred Class B Unit (B)	1,526 uts.	06/09/08	152,626	283,290
Common Class B Unit (B)	30,420 uts.	01/22/04	1	55,815
Common Class D Unit (B)	6,980 uts.	09/12/06	1	12,807
			3,605,369	4,149,439
* 01/22/04 and 06/09/08.				
** 01/22/04 and 09/12/06.				
Apex Analytix Holding Corporation				
A provider of audit recovery and fraud detection services and software to commercial and retail businesses in the U.S. and Europe.				
12.5% Senior Subordinated Note due 2014	\$1,912,500	04/28/09	1,727,709	1,912,500
Preferred Stock Series B (B)	3,065 shs.	04/28/09	306,507	414,680
Common Stock (B)	1,366 shs.	04/28/09	1,366	184,819
			2,035,582	2,511,999

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)		Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Arch Global Precision LLC					
A leading manufacturer of high tolerance precision components and consumable tools.					
14.75% Senior Subordinated Note due 2018	\$ 2,267,016	12/21/11	\$ 2,208,408	\$ 2,267,975	
Limited Liability Company Unit Class B (B)	85 uts.	12/21/11	85,250	79,340	
Limited Liability Company Unit Class C (B)	665 uts.	12/21/11	664,750	618,665	
			2,958,408	2,965,980	
Arrow Tru-Line Holdings, Inc.					
A manufacturer of hardware for residential and commercial overhead garage doors in North America.					
8% Senior Subordinated Note due 2014 (D)	\$ 1,990,935	05/18/05	1,823,261	1,294,108	
Preferred Stock (B)	63 shs.	10/16/09	62,756	-	
Common Stock (B)	497 shs.	05/18/05	497,340	-	
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	130 shs.	05/18/05	112,128	-	
			2,495,485	1,294,108	
Associated Diversified Services					
A provider of routine maintenance and repair services primarily to electric utility companies predominantly on electric power distribution lines.					
10% Senior Secured Term Note due 2016 (C)	\$ 750,857	09/30/10	735,753	750,857	
13% Senior Subordinated Note due 2017	\$ 853,714	09/30/10	774,053	862,251	
Limited Liability Company Unit Class B (B)	92,571 uts.	09/30/10	92,571	125,682	
Limited Liability Company Unit Class B (B)	70,765 uts.	09/30/10	70,765	96,077	
			1,673,142	1,834,867	
Barcodes Group, Inc.					
A distributor and reseller of automatic identification and data capture equipment, including mobile computers, scanners, point-of-sale systems, labels, and accessories.					
	\$ 1,945,304	07/27/10	1,868,416	1,984,210	

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13.5% Senior Subordinated Note
due 2016

Preferred Stock (B)	39 shs.	07/27/10	394,487	394,500
Common Stock Class A (B)	131 shs.	07/27/10	1,310	194,118
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	23 shs.	07/27/10	227	33,666
			2,264,440	2,606,494

Bravo Sports Holding Corporation

A designer and marketer of niche branded consumer products including canopies, trampolines, in-line skates, skateboards, and urethane wheels.

12.5% Senior Subordinated Note
due 2014

Preferred Stock Class A (B)	\$ 2,281,593	06/30/06	2,227,029	570,398
Preferred Stock Class A (B)	879 shs.	06/30/06	268,121	-
Common Stock (B)	1 sh.	06/30/06	286	-
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	309 shs.	06/30/06	92,102	-
			2,587,538	570,398

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
C D N T, Inc.				
A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, and foils.				
10.5% Senior Secured Term Note due 2014	\$ 422,365	08/07/08	\$418,429	\$422,365
12.5% Senior Subordinated Note due 2015	\$ 750,872	08/07/08	707,202	750,872
Common Stock (B)	73,256 shs.	08/07/08	73,256	78,946
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	57,600 shs.	08/07/08	57,689	62,074
			1,256,576	1,314,257
Capital Specialty Plastics, Inc.				
A producer of desiccant strips used for packaging pharmaceutical products.				
Common Stock (B)	109 shs.	*	503	1,190,167
*12/30/97 and 05/29/99.				
CHG Alternative Education Holding Company				
A leading provider of publicly-funded, for profit pre-K-12 education services targeting special needs children at therapeutic day schools and "at risk" youth through alternative education programs.				
13.5% Senior Subordinated Note due 2018	\$ 2,176,704	01/19/11	2,060,732	2,184,518
Common Stock (B)	1,125 shs.	01/19/11	112,500	92,077
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	884 shs.	01/19/11	87,750	72,378
			2,260,982	2,348,973
Church Services Holding Company				
A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.				
14.5% Senior Subordinated Note due 2018	\$ 1,200,000	03/26/12	1,158,851	1,197,629
Common Stock (B)	3,000 shs.	03/26/12	300,000	285,000
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	172 shs.	03/26/12	17,220	2
			1,476,071	1,482,631
Clough, Harbour and Associates				
An engineering service firm that is located in Albany, NY.				
12.25% Senior Subordinated Note due 2015	\$ 2,400,000	12/02/08	2,287,972	2,400,000
Preferred Stock (B)	277 shs.	12/02/08	276,900	361,733
			2,564,872	2,761,733

Coeur, Inc.

A producer of proprietary, disposable power injection syringes.

12% Senior Subordinated Note due 2016	\$	1,214,286	10/10/08	1,134,217	1,214,286
Common Stock (B)		607 shs.	10/10/08	60,714	57,961
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)		934 shs.	10/10/08	91,071	89,172
				1,286,002	1,361,419

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Connecticut Electric, Inc.				
A supplier and distributor of electrical products sold into the retail and wholesale markets.				
10% Senior Subordinated Note due 2014 (D)	\$1,456,429	01/12/07	\$1,358,675	\$1,310,786
	156,046			
Limited Liability Company Unit Class A (B)	uts.	01/12/07	156,046	12,447
	112,873			
Limited Liability Company Unit Class C (B)	uts.	01/12/07	112,873	9,004
	1,268,437			
Limited Liability Company Unit Class D (B)	uts.	05/03/10	-	101,179
Limited Liability Company Unit Class E (B)	2,081 uts.	05/03/10	-	166
			1,627,594	1,433,582
Connor Sport Court International, Inc.				
A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring products.				
Preferred Stock Series B-2 (B)	17,152 shs.	07/05/07	700,392	1,288,175
Preferred Stock Series C (B)	8,986 shs.	07/05/07	300,168	674,832
Common Stock (B)	718 shs.	07/05/07	7	-
Limited Partnership Interest (B)	12.64% int.	*	189,586	-
*08/12/04 and 01/14/05.			1,190,153	1,963,007
CorePharma LLC				
A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.				
14.5% Senior Subordinated Note due 2016	\$2,643,438	08/04/05	2,643,438	2,643,438
Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B)	20 shs.	08/04/05	137,166	677,761
			2,780,604	3,321,199
Crane Rental Corporation				
A crane rental company since 1960, headquartered in Florida.				
13% Senior Subordinated Note due 2015	\$2,295,000	08/21/08	2,147,162	2,213,798
	255,000			
Common Stock (B)	shs.	08/21/08	255,000	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	136,070	08/21/08	194,826	-
			2,596,988	2,213,798

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Custom Engineered Wheels, Inc.

A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires used primarily for lawn and garden products and wheelchairs.

12.5% Senior Subordinated Note due 2016	\$2,182,212	10/27/09	1,960,697	2,158,322
Preferred Stock PIK (B)	296 shs.	10/27/09	295,550	101,067
Preferred Stock Series A (B)	216 shs.	10/27/09	197,152	73,843
Common Stock (B)	72 shs.	10/27/09	72,238	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	53 shs.	10/27/09	48,608	-
			2,574,245	2,333,232

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
DPC Holdings LLC				
A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.				
14% Senior Subordinated Note due 2017	\$2,690,423	10/21/11	\$2,639,700	\$2,688,369
Limited Liability Company Unit Class A (B)	33,333 uts.	10/21/11	333,333	292,981
			2,973,033	2,981,350
Duncan Systems, Inc.				
A distributor of windshields and side glass for the recreational vehicle market.				
10% Senior Secured Term Note due 2013	\$270,000	11/01/06	268,822	269,699
13% Senior Subordinated Note due 2014	\$855,000	11/01/06	811,151	853,310
	180,000			
Common Stock (B)	shs.	11/01/06	180,000	27,728
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	56,514 shs.	11/01/06	78,160	8,706
			1,338,133	1,159,443
E S P Holdco, Inc.				
A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network.				
14% Senior Subordinated Note due 2015	\$2,415,649	01/08/08	2,387,836	2,415,649
Common Stock (B)	660 shs.	01/08/08	329,990	426,980
			2,717,826	2,842,629
E X C Acquisition Corporation				
A manufacturer of pre-filled syringes and pump systems used for intravenous drug delivery.				
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	22 shs.	06/28/04	77,208	47,946
Eatem Holding Company				
A developer and manufacturer of savory flavor systems for soups, sauces, gravies, and other products produced by food manufacturers for retail and foodservice end products.				
12.5% Senior Subordinated Note due 2018	\$2,850,000	02/01/10	2,534,031	2,748,454
Common Stock (B)	150 shs.	02/01/10	150,000	134,009
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	358 shs.	02/01/10	321,300	319,521
			3,005,331	3,201,984

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ELT Holding Company

A provider of web-based ethics and compliance training solutions for companies in the United States.

14% Senior Subordinated Note due 2019	\$2,731,818	03/01/12	2,677,619	2,703,263
Common Stock (B)	122 shs.	03/01/12	272,727	259,105
			2,950,346	2,962,368

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)		Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
F C X Holdings Corporation					
A distributor of specialty/technical valves, actuators, accessories, and process instrumentation supplying a number of industrial, high purity, and energy end markets in North America.					
15% Senior Subordinated Note due 2015	\$ 2,344,883	10/06/08	\$ 2,318,823	\$ 2,344,883	
14% Senior Subordinated Note due 2017	\$ 638,527	03/02/12	625,923	632,855	
Preferred Stock Series A (B)	441 shs.	*	44,100	59,650	
Preferred Stock Series B (B)	4,341 shs.	10/06/08	434,074	587,165	
Common Stock (B)	3,069 shs.	10/06/08	3,069	37,747	
* 12/30/10 and 07/01/11.			3,425,989	3,662,300	
F F C Holding Corporation					
A leading U.S. manufacturer of private label frozen novelty and ice cream products.					
16% Senior Subordinated Note due 2017	\$ 2,622,316	09/27/10	2,580,258	2,674,762	
Limited Liability Company Units Preferred (B)	512 uts.	09/27/10	460,976	510,076	
Limited Liability Company Units (B)	512 uts.	09/27/10	51,220	114,454	
			3,092,454	3,299,292	
F G I Equity LLC					
A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings.					
14.25% Senior Subordinated Note due 2016	\$ 2,665,590	12/15/10	2,602,241	2,718,902	
14.25% Senior Subordinated Note due 2016	\$ 661,279	02/29/12	661,268	655,673	
Limited Liability Company Unit Class B-1 (B)	394,737 uts.	12/15/10	394,737	701,062	
Limited Liability Company Unit Class B-2 (B)	49,488 uts.	12/15/10	49,488	87,892	
			3,707,734	4,163,529	

F H Equity LLC

A designer and manufacturer of a full line of automatic transmission filters and filtration systems for passenger vehicles.

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14% Senior Subordinated Note due 2017	\$ 3,078,645	12/20/10	2,968,557	3,154,370
Limited Liability Company Unit Class C (B)	9,449 uts.	12/20/10	96,056 3,064,613	99,419 3,253,789

Flutes, Inc.

An independent manufacturer of micro fluted corrugated sheet material for the food and consumer products packaging industries.

10% Senior Secured Term Note due 2013 (D)	\$ 918,385	04/13/06	908,339	459,192
14% Senior Subordinated Note due 2013 (D)	\$ 555,059	04/13/06	509,089 1,417,428	- 459,192

G C Holdings

A leading manufacturer of gaming tickets, industrial recording charts, security-enabled point-of sale receipts, and medical charts and supplies.

12.5% Senior Subordinated Note due 2017	\$ 3,000,000	10/19/10	2,826,877	3,060,000
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	594 shs.	10/19/10	140,875 2,967,752	- 3,060,000

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Golden County Foods Holding, Inc.				
A manufacturer of frozen appetizers and snacks.				
16% Senior Subordinated Note due 2015 (D)	\$ 1,912,500	11/01/07	\$ 1,772,199	\$-
14% PIK Note due 2015 (D)	\$ 472,711	12/31/08	411,209	-
8% Series A Convertible Preferred Stock, convertible into common shares (B)	287,658 shs.	11/01/07	146,658	-
			2,330,066	-
H M Holding Company				
A designer, manufacturer, and importer of promotional and wood furniture.				
7.5% Senior Subordinated Note due 2014 (D)	\$ 685,100	10/15/09	512,231	342,550
Preferred Stock (B)	40 shs.	*	40,476	-
Preferred Stock Series B (B)	2,055 shs.	10/15/09	1,536,694	-
Common Stock (B)	340 shs.	02/10/06	340,000	-
Common Stock Class C (B)	560 shs.	10/15/09	-	-
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	126 shs.	02/10/06	116,875	-
* 09/18/07 and 06/27/08.			2,546,276	342,550
Handi Quilter Holding Company				
A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.				
12% Senior Subordinated Note due 2017	\$ 1,384,615	11/14/11	1,284,565	1,390,795
Common Stock (B)	115 shs.	11/14/11	115,385	79,037
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	83 shs.	11/14/11	76,788	56,584
			1,476,738	1,526,416
Healthcare Direct Holding Company				
A direct-to-consumer marketer of discount dental plans.				
14% Senior Subordinated Note due 2019	\$ 2,097,505	03/09/12	2,055,811	2,080,999
Common Stock (B)	1,552 shs.	03/09/12	155,172	147,413
			2,210,983	2,228,412
HGGC Citadel Plastics Holdings				

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A world-leading source for thermoset and thermoplastic compounds.

14% Senior Subordinated Note due 2019	\$ 2,697,581	02/29/12	2,644,031	2,669,403
Common Stock (B)	302 shs.	02/29/12	302,419	287,299
			2,946,450	2,956,702

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Home Décor Holding Company				
A designer, manufacturer and marketer of framed art and wall décor products.				
Common Stock (B)	63 shs.	*	\$ 62,742	\$ 123,138
Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)	200 shs.	*	199,501	391,553
			262,243	514,691
* 06/30/04 and 08/19/04.				
HOP Entertainment LLC				
A provider of post production equipment and services to producers of television shows and motion pictures.				
Limited Liability Company Unit				
Class F (B)	89 uts.	10/14/11	-	-
Limited Liability Company Unit				
Class G (B)	215 uts.	10/14/11	-	-
Limited Liability Company Unit				
Class H (B)	89 uts.	10/14/11	-	-
Limited Liability Company Unit				
Class I (B)	89 uts.	10/14/11	-	-
			-	-
Hospitality Mints Holding Company				
A manufacturer of individually-wrapped imprinted promotional mints.				
14% Senior Subordinated Note due 2016				
	\$ 2,863,626	08/19/08	2,732,688	2,720,444
Common Stock (B)	474 shs.	08/19/08	474,419	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	123 shs.	08/19/08	113,773	-
			3,320,880	2,720,444
Ideal Tridon Holdings, Inc.				
A designer and manufacturer of clamps and couplings used in automotive and industrial end markets.				
13.5% Senior Subordinated Note due 2018				
	\$ 2,739,043	10/27/11	2,686,703	2,740,225
Common Stock (B)	279 shs.	10/27/11	278,561	287,252
			2,965,264	3,027,477
Insurance Claims Management, Inc.				
A third party administrator providing auto and property claim administration services for insurance companies.				
Common Stock (B)	89 shs.	02/27/07	2,689	494,905

International Offshore Services LLC

A leading provider of marine transportation services, platform decommissioning, and salvage services to oil and gas producers in the shallow waters of the Gulf of Mexico.

14.25% Senior Subordinated Secured

Note due 2017 (D)	\$ 2,550,000	07/07/09	2,335,431	1,275,000
Limited Liability Company Unit (B)	3,112 uts.	07/07/09	186,684	-
			2,522,115	1,275,000

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
J A C Holding Enterprises, Inc.				
A supplier of luggage racks and accessories to the original equipment manufacturers.				
12.5% Senior Subordinated Note due 2017	\$ 2,500,000	12/20/10	\$ 2,174,097	\$ 2,265,417
Preferred Stock A (B)	495 shs.	12/20/10	495,000	-
Preferred Stock B (B)	0.17 shs.	12/20/10	-	-
Common Stock (B)	100 shs.	12/20/10	5,000	-
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	36 shs.	12/20/10	316,931	-
			2,991,028	2,265,417
Jason Partners Holdings LLC				
A diversified manufacturing company serving various industrial markets.				
Limited Liability Company Unit (B)	90 uts.	09/21/10	848,275	48,185
K & N Parent, Inc.				
A manufacturer and supplier of automotive aftermarket performance air filters and intake systems.				
14% Senior Subordinated Note due 2017	\$ 2,608,696	12/23/11	2,557,739	2,614,331
Preferred Stock Series A (B)	305 shs.	12/23/11	289,733	247,101
Preferred Stock Series B (B)	86 shs.	12/23/11	82,006	69,938
Common Stock (B)	391 shs.	12/23/11	19,565	-
			2,949,043	2,931,370
K N B Holdings Corporation				
A designer, manufacturer and marketer of products for the custom framing market.				
15% Senior Subordinated Note due 2017	\$ 4,414,253	04/12/11	4,078,094	4,414,253
Common Stock (B)	134,210 shs.	05/25/06	134,210	47,650
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	82,357 shs.	05/25/06	71,534	29,240
			4,283,838	4,491,143
K P H I Holdings, Inc.				
A manufacturer of highly engineered plastic and metal components for a diverse range of end-markets, including medical, consumer and industrial, automotive and defense.				
15% Senior Subordinated Note due 2017	\$ 2,694,958	12/10/10	2,648,430	2,691,901
Common Stock (B)	698,478 shs.	12/10/10	698,478	371,856
			3,346,908	3,063,757

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
K P I Holdings, Inc.				
The largest player in the U.S. non-automotive, non-ferrous die casting segment.				
6% Senior Subordinated Note due 2015	\$2,549,767	07/16/08	\$2,412,404	\$2,422,279
Convertible Preferred Stock Series C (B)	55 shs.	06/30/09	55,435	110,000
Convertible Preferred Stock Series D (B)	24 shs.	09/17/09	24,476	73,410
Common Stock (B)	443 shs.	07/15/08	443,478	-
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	96 shs.	07/16/08	96,024	-
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	128 shs.	09/17/09	-	-
			3,031,817	2,605,689
K W P I Holdings Corporation				
A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.				
12% Senior Subordinated Note due 2015 (D)	\$3,162,920	03/14/07	2,878,056	2,530,336
Preferred Stock PIK (B)	1,499 shs.	02/07/11	579,500	-
Common Stock (B)	232 shs.	03/13/07	232,000	-
Warrant, exercisable until 2019, to purchase preferred stock at \$.01 per share (B)	134 shs.	07/07/09	-	-
Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)	167 shs.	03/14/07	162,260	-
			3,851,816	2,530,336
LPC Holding Company				
A designer and manufacturer of precision-molded silicone rubber components that are utilized in the medical and automotive end markets.				
13.5% Senior Subordinated Note due 2018	\$2,732,510	08/15/11	2,681,587	2,781,627
Common Stock (B)	283 shs.	08/15/11	283,019	253,600
			2,964,606	3,035,227
M V I Holding, Inc.				
A manufacturer of large precision machined metal components used in equipment which services a variety of industries, including the oil and gas, mining, and defense markets.				
13% Senior Subordinated Note due 2016	\$1,264,386	09/12/08	1,200,432	1,264,386
Common Stock (B)	61 shs.	09/12/08	60,714	77,450
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	66 shs.	09/12/08	65,571	83,650
			1,326,717	1,425,486

Mail Communications Group, Inc.

A provider of mail processing and handling services, letter shop services, and commercial printing services.

Limited Liability Company Unit (B)	24,109 uts.	*	314,464	408,153
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	3,375 shs.	05/04/07	43,031	57,137
* 05/04/07 and 01/02/08.			357,495	465,290

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Manhattan Beachwear Holding Company				
A designer and distributor of women's swimwear.				
12.5% Senior Subordinated Note due 2018	\$1,259,914	01/15/10	\$1,126,799	\$1,259,914
15% Senior Subordinated Note due 2018	\$318,857	10/05/10	313,325	318,857
Common Stock (B)	106 shs.	10/05/10	106,200	189,566
Common Stock Class B (B)	353 shs.	01/15/10	352,941	629,995
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	312 shs.	01/15/10	283,738	557,542
			2,183,003	2,955,874
Marshall Physicians Services LLC				
A provider of emergency department and hospital medicine services to hospitals located in the state of Kentucky. The Company was founded in 1999 and is owned by seven practicing physicians.				
13% Senior Subordinated Note due 2016	\$1,326,976	09/20/11	1,301,907	1,338,152
Limited Liability Company Unit Class A (B)	8,700 uts.	09/20/11	180,000	136,162
Limited Liability Company Unit Class D (B)	874 uts.	09/20/11	-	13,684
			1,481,907	1,487,998
MBWS Ultimate Holdco, Inc.				
A provider of services throughout North Dakota that address the fluid management and related transportation needs of an oil well.				
12% Senior Subordinated Note due 2016	\$3,352,486	*	3,083,743	3,419,536
Preferred Stock Series A (B)	4,164 shs.	09/07/10	416,392	1,368,218
Common Stock (B)	487 shs.	03/01/11	48,677	160,020
Common Stock (B)	458 shs.	09/07/10	45,845	150,491
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	310 shs.	03/01/11	30,975	101,861
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	1,158 shs.	09/07/10	115,870	380,499
* 09/07/10 and 03/01/11.			3,741,502	5,580,625
MedSystems Holdings LLC				
A manufacturer of enteral feeding products, such as feeding tubes and other products related to assisted feeding.				
13% Senior Subordinated Note due 2015	\$1,190,084	08/29/08	1,098,105	1,190,084
Preferred Unit (B)	126 uts.	08/29/08	125,519	122,679
Common Unit Class A (B)	1,268 uts.	08/29/08	1,268	-
Common Unit Class B (B)	472 uts.	08/29/08	120,064	-
			1,344,956	1,312,763

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
MEGTEC Holdings, Inc.				
A supplier of industrial and environmental products and services to a broad array of industries.				
Preferred Stock (B)	107 shs.	09/24/08	\$ 103,255	\$ 142,601
Limited Partnership Interest (B)	1.40% int.	09/16/08	388,983	457,634
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	35 shs.	09/24/08	33,268	31,770
			525,506	632,005
Merex Holding Corporation				
A provider of after-market spare parts and components, as well as Maintenance, Repair and Overhaul services for "out of production" or "legacy" aerospace and defense systems that are no longer effectively supported by the original equipment manufacturers.				
14% Senior Subordinated Note due 2018	\$ 1,103,774	09/22/11	1,082,828	1,111,323
Limited Liability Company Unit Series B (B)	396,226 uts.	09/22/11	396,226	435,364
			1,479,054	1,546,687
MicroGroup, Inc.				
A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars.				
12% Senior Subordinated Note due 2013 (D)	\$ 2,685,614	*	2,577,220	671,403
Common Stock (B)	450 shs.	*	450,000	-
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	164 shs.	*	162,974	-
* 08/12/05 and 09/11/06.			3,190,194	671,403
Monessen Holding Corporation				
A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories.				
15% Senior Subordinated Note due 2015 (D)	\$ 1,556,056	06/28/11	1,034,632	-
7% Senior Subordinated Note due 2014 (D)	\$ 2,550,000	06/28/11	2,420,572	-
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	152 shs.	03/31/06	138,125	-

3,593,329 -

Motion Controls Holdings

A manufacturer of high performance mechanical motion control and linkage products.

14.25% Senior Subordinated Note due 2017	\$ 2,783,876	11/30/10	2,738,348	2,839,554
Limited Liability Company Unit Class B-1 (B)	281,250 uts.	11/30/10	-	338,944
Limited Liability Company Unit Class B-2 (B)	25,504 uts.	11/30/10	-	30,735
			2,738,348	3,209,233

NABCO, Inc.

A producer of explosive containment vessels in the United States.

14% Senior Subordinated Note due 2014 (D)	\$ 625,000	02/24/06	578,174	156,250
Limited Liability Company Unit (B)	825 uts.	*	825,410	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	129 shs.	02/24/06	37,188	-
* 02/24/06 and 06/22/07.			1,440,772	156,250

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)		Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
NetShape Technologies, Inc.					
A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications.					
14% Senior Subordinated Note due 2014	\$ 1,946,587		02/02/07	\$ 1,764,746	\$ 1,557,270
Limited Partnership Interest of Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D of	2.73% int.		02/01/07	1,110,810	-
Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D-1 of	17 uts.		*	16,759	-
Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D-2 of	229 uts.		09/30/09	228,858	-
Saw Mill PCG Partners LLC (B) * 12/18/08 and 09/30/09.	128 uts.		04/29/11	65,256 3,186,429	- 1,557,270
Newark Group, Inc.					
A major producer of paper products from recycled materials.					
Common Stock (B)	134,520 shs.		09/02/10	796,863	259,422
Nicoat Acquisitions LLC					
A manufacturer of water-based and ultraviolet coatings for high-performance graphic arts, packaging and other specialty coating applications.					
12.5% Senior Subordinated Note due 2016	\$ 1,448,276		11/05/10	1,333,413	1,462,123
Limited Liability Company Unit Series B (B)	51,724 uts.		11/05/10	51,724	56,746
Limited Liability Company Unit Series B (B)	104,792 uts.		11/05/10	104,792	114,967
Limited Liability Company Unit Series F (B)	156,516 uts.		11/05/10	- 1,489,929	40,653 1,674,489
Northwest Mailing Services, Inc.					

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A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs.

12% Senior Subordinated Note due 2016	\$2,818,421	*	2,402,656	2,793,509
Limited Partnership Interest (B)	3,287 uts.	*	328,679	85,814
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	4,920 shs.	*	492,016	128,460
* 07/09/09 and 08/09/10.			3,223,351	3,007,783

NT Holding Company

A leading developer, manufacturer and provider of medical products used primarily in interventional pain management.

12% Senior Subordinated Note due 2019	\$2,649,351	02/02/11	2,456,175	2,681,432
Common Stock (B)	377 shs.	*	377,399	251,018
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	176 shs.	02/02/11	158,961	117,235
* 02/02/11 and 06/30/11.			2,992,535	3,049,685

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Nyloncraft, Inc.				
A supplier of engineered plastic components for the automotive industry.				
Common Stock (B)	312,500 shs.	01/28/02	\$ 312,500	\$450,260
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	243,223 shs.	01/28/02	162,045 474,545	350,443 800,703
O E C Holding Corporation				
A provider of elevator maintenance, repair and modernization services.				
13% Senior Subordinated Note due 2017	\$ 1,333,333	06/04/10	1,233,442	1,323,677
Preferred Stock Series A (B)	1,661 shs.	06/04/10	166,062	80,732
Preferred Stock Series B (B)	934 shs.	06/04/10	93,376	45,396
Common Stock (B)	1,032 shs.	06/04/10	1,032 1,493,912	- 1,449,805
OakRiver Technology, Inc.				
Designs, engineers and assembles high precision automated process equipment for the medical device industry with a focus on defibrillators and stents.				
Common Stock (B)	322,307 shs.	01/03/06	322,307	742,896
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	75,378 shs.	01/03/06	62,824 385,131	173,741 916,637
Ontario Drive & Gear Ltd.				
A manufacturer of all-wheel drive, off-road amphibious vehicles and related accessories.				
Limited Liability Company Unit (B)	3,667 uts.	01/17/06	572,115	1,564,276
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	619 shs.	01/17/06	170,801 742,916	264,105 1,828,381
P K C Holding Corporation				
A manufacturer of plastic film and badges for the general industrial, medical, and food industries.				
14% Senior Subordinated Note due 2016	3,008,156	12/21/10	2,945,747	3,038,131
Preferred Stock Class A (B)	54 shs.	12/21/10	340,718	542,180
Common Stock (B)	54 shs.	12/21/10	25,500 3,311,965	- 3,580,311

P P T Holdings LLC

A high-end packaging solutions provider that targets customers who have multiple packaging needs, require a high number of low volume SKUs, short lead times, technical expertise, and overall supply chain management.

15% Senior Subordinated Note due 2017	\$2,784,217	12/20/10	2,737,176	2,767,321
Limited Liability Company Unit Class A (B)	99 uts.	12/20/10	318,215	214,310
Limited Liability Company Unit Class B (B)	99 uts.	12/20/10	3,214	214,310
			3,058,605	3,195,941

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Pacific Consolidated Holdings LLC				
A manufacturer of rugged, mobile liquid and gaseous oxygen and nitrogen generating systems used in the global defense, oil and gas, and medical sectors.				
14% Senior Subordinated Note due 2012				
(D)	\$ 1,393,591	04/27/07	\$ 1,359,161	\$ 487,757
5% Senior Subordinated Note due 2012	\$ 79,688	07/21/10	79,688	79,688
Preferred Shares Series E (B)	79,688 uts. 1,754,707	07/21/10	-	-
Limited Liability Company Unit (B)	uts.	04/27/07	63,233 1,502,082	- 567,445
Paradigm Packaging, Inc.				
A manufacturer of plastic bottles and closures for the nutritional, pharmaceutical, personal care, and food packaging markets.				
12% Senior Subordinated Note due 2015	\$ 1,593,750	12/19/00	1,589,925	1,593,750
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	372 shs.	12/21/00	265,625 1,855,550	641 1,594,391
Pearlman Enterprises, Inc.				
A developer and distributor of tools, equipment, and supplies to the natural and engineered stone industry.				
Preferred Stock Series A (B)	2,334 shs.	05/22/09	111,508	-
Preferred Stock Series B (B)	13,334 shs.	05/22/09	547,872	-
Common Stock (B)	40,540 shs.	05/22/09	1,877,208 2,536,588	- -
Postle Aluminum Company LLC				
A manufacturer and distributor of aluminum extruded products.				
15% Senior Subordinated Note due 2013	\$ 1,615,917	06/03/10	1,599,980	1,632,076
3% Senior Subordinated PIK Note due 2014	\$ 2,283,699	10/02/06	2,057,261	2,283,699
Limited Liability Company Unit Class A (B)	1,384 uts.	10/02/06	510,000	170,077
Limited Liability Company Unit (B)	143 uts.	05/22/09	642	17,572
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	8,595 shs.	10/02/06	124,644 4,292,527	1,056,187 5,159,611
Power Services Holding Company				

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A provider of industrial motor repair services, predictive and preventative maintenance, and performance improvement consulting serving the petrochemical, mining, power generation, metals, and paper industries.

12% Senior Subordinated Note due 2016	\$ 1,780,638	02/11/08	1,681,063	1,780,638
Limited Partnership Interest (B)	23.70% int.	02/11/08	177,729	192,080
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	1,322 shs.	02/11/08	167,588	390,771
			2,026,380	2,363,489

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Precision Wire Holding Company				
A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical procedures.				
14.25% Senior Subordinated Note due 2016	\$ 2,642,859	11/12/09	\$ 2,441,009	\$ 2,695,716
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	206 shs.	11/12/09	203,944	192,986
			2,644,953	2,888,702
Qualis Automotive LLC				
A distributor of aftermarket automotive brake and chassis products.				
Common Stock (B)	354,167 shs.	05/28/04	354,166	477,723
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	377,719 shs.	05/28/04	377,719	509,491
			731,885	987,214
R A J Manufacturing Holdings LLC				
A designer and manufacturer of women's swimwear sold under a variety of licensed brand names.				
12.5% Senior Subordinated Note due 2014	\$ 1,411,274	12/15/06	1,357,582	1,411,274
Limited Liability Company Unit (B)	2,828 uts.	12/15/06	282,810	120,878
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	3 shs.	12/15/06	131,483	57,004
			1,771,875	1,589,156
RM Holding Company				
A specialty distributor of home medical care equipment.				
13% Senior Subordinated Note due 2018	\$ 1,380,952	02/09/12	1,297,485	1,383,757
Common Stock (B)	1,108 shs.	02/09/12	11	10
Preferred Stock (B)	119,037 shs.	02/09/12	119,037	113,085
Warrant, exercisable until 2022, to purchase preferred stock A at \$.01 per share (B)	36,263 shs.	02/09/12	35,940	363
Warrant, exercisable until 2022, to purchase preferred stock B at \$.01 per share (B)	21,202 shs.	02/09/12	21,202	212
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	556 shs.	02/09/12	-	6
			1,473,675	1,497,433
Royal Baths Manufacturing Company				

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A manufacturer and distributor of acrylic and cultured marble bathroom products.

12.5% Senior Subordinated Note due 2016	\$ 531,250	11/14/03	522,644	531,250
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	140 shs.	11/14/03	122,946 645,590	42,301 573,551

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Safety Infrastructure Solutions				
A provider of trench safety equipment to a diverse customer base across multiple end markets in Texas and the Southwestern United States.				
15% Senior Subordinated Note due 2018	\$ 1,968,750	03/30/12	\$ 1,939,236	\$ 1,967,980
Preferred Stock (B)	6,294 shs.	03/30/12	251,758	239,170
Common Stock (B)	2,949 shs.	03/30/12	29,492	28,017
			2,220,486	2,235,167
Sencore Holding Company				
A designer, manufacturer, and marketer of decoders, receivers and modulators sold to broadcasters, satellite, cable and telecom operators for encoding/decoding analog and digital transmission video signals.				
12.5% Senior Subordinated Note due 2014 (D)	\$ 2,185,882	01/15/09	1,560,231	-
Smart Source Holdings LLC				
A short-term computer rental company.				
12% Senior Subordinated Note due 2015	\$ 2,223,076	*	2,105,066	2,223,076
Limited Liability Company Unit (B)	619 uts.	*	631,592	556,750
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	157 shs.	*	164,769	141,043
* 08/31/07 and 03/06/08.			2,901,427	2,920,869
Snacks Parent Corporation				
The world's largest provider of trail mixes and a leading provider of snack nuts, dried fruits, and other healthy snack products.				
13% Senior Subordinated Note due 2017		\$2,642,013	11/12/10	2,511,831
Preferred Stock A (B)		3,395 shs.	11/12/10	322,495
Preferred Stock B (B)		1,575 shs.	11/12/10	149,650
Common Stock (B)		19,737 shs.	11/12/10	19,737
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)		5,418 shs.	11/12/10	5,418
				3,009,131
				2,933,626
SouthernCare Holdings, Inc.				
A hospice company providing palliative care services to terminally ill patients.				

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14% Senior Subordinated Note due 2018	\$2,745,478	12/01/11	2,692,520	2,747,834
Common Stock (B)	2,727 shs.	12/01/11	272,727	284,604
			2,965,247	3,032,438
Spartan Foods Holding Company				
A manufacturer of branded pizza crusts and pancakes.				
12.25% Senior Subordinated Note due 2017	\$2,267,934	12/15/09	2,000,712	2,154,538
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	257 shs.	12/15/09	227,109	20,012
			2,227,821	2,174,550

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Specialty Commodities, Inc.				
A distributor of specialty food ingredients.				
13.25% Senior Subordinated Note due 2016	\$2,348,591	10/23/08	\$2,246,958	\$2,348,591
Common Stock (B)	30,000 shs.	10/23/08	300,000	349,155
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	11,054 shs.	10/23/08	100,650 2,647,608	128,652 2,826,398
Stanton Carpet Holding Company				
A designer and marketer of high and mid-priced decorative carpets and rugs.				
12.13% Senior Subordinated Note due 2015	\$1,492,683	08/01/06	1,451,373	1,492,683
Common Stock (B)	311 shs.	08/01/06	310,976	434,780
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	104 shs.	08/01/06	93,293 1,855,642	144,801 2,072,264
Strata/WLA Holding Corporation				
A leading independent anatomic pathology laboratory that conducts over 320,000 tests annually to customers in 40 U.S. states, Canada and Venezuela.				
14.5% Senior Subordinated Note due 2018	\$2,824,161	07/01/11	2,772,406	2,804,734
Preferred Stock Series A (B)	228 shs.	07/01/11	228,137 3,000,543	122,752 2,927,486
Sundance Investco LLC				
A provider of post-production services to producers of movies and television shows.				
Limited Liability Company Unit Class A (B)	6,429 shs.	03/31/10	-	-
Sunrise Windows Holding Company				
A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market.				
14% Senior Subordinated Note due 2017	\$ 3,144,624	12/14/10	2,984,248	2,987,393
Common Stock (B)	115 shs.	12/14/10	114,504	13,206
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	112 shs.	12/14/10	111,747 3,210,499	12,889 3,013,488

Syneract Holdings Corporation

A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies.

14.5% Senior Subordinated Note due 2017	\$ 2,669,209	09/02/08	2,543,068	2,669,209
Redeemable Preferred Stock Series A (B)	1,280 shs.	09/02/08	12,523	71,227
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	12,803 shs.	09/02/08	112,693	-
			2,668,284	2,740,436

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors
 March 31, 2012
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
THI Acquisition, Inc.				
A machine servicing company providing value-added steel services to long steel products.				
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	9 shs.	01/14/08	\$88,054	\$319,134
Terra Renewal LLC				
A provider of wastewater residual management and required environmental reporting, permitting, nutrient management planning and record keeping to companies involved in poultry and food processing.				
12% Senior Subordinated Note due 2014 (D)	\$1,162,110	*	1,127,650	-
6.9% Term Note due 2012 (C)	\$1,319,316	05/31/11	1,319,316	1,187,385
Common Stock Class B	55 shs.	*	6,254	-
Limited Partnership Interest of Saw Mill Capital Fund V, LLC (B)	3.97% int.	**	205,558	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	72 shs.	04/28/06	59,041	-
* 04/28/06 and 09/13/06.			2,717,819	1,187,385
** 03/01/05 and 10/10/08.				
Torrent Group Holdings, Inc.				
A contractor specializing in the sales and installation of engineered drywells for the retention and filtration of stormwater and nuisance water flow.				
12.5% Senior Subordinated Note due 2014 (D)	\$2,455,561	10/26/07	2,147,354	-
Series B Preferred Stock (B)	182 shs.	03/31/10	-	-
Common Stock (B)	515 shs.	03/31/10	414,051	-
			2,561,405	-
Transpac Holding Company				
A designer, importer and wholesaler of home décor and seasonal gift products.				
12% Senior Subordinated Note due 2015	\$1,773,006	10/31/07	1,670,231	1,790,736
Common Stock (B)	209 shs.	10/31/07	208,589	50,550
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	94 shs.	10/31/07	87,607	22,824
			1,966,427	1,864,110
Tranzonic Companies (The)				

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A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.

13% Senior Subordinated Note due 2013	\$2,712,000	02/05/98	2,698,170	2,712,000
Common Stock (B)	630 shs.	02/04/98	630,000	598,791
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	444 shs.	02/05/98	368,832	422,005
			3,697,002	3,732,796

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Truck Bodies & Equipment International				
A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodies, hoists, various forms of flat-bed bodies, landscape bodies and other accessories.				
12% Senior Subordinated Note due 2013	\$ 2,309,541	*	\$ 2,137,368	\$ 2,194,064
Preferred Stock Series B (B)	241 shs.	10/20/08	241,172	-
Common Stock (B)	742 shs.	*	800,860	-
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	153 shs.	*	159,894	-
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	1,054 shs.	10/20/08	-	-
* 07/19/05 and 12/22/05.			3,339,294	2,194,064
TruStile Doors, Inc.				
A manufacturer and distributor of interior doors.				
Limited Liability Company Unit	11,775 uts.	02/28/11	250,000	217,254
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	5,781 shs.	04/11/03	68,059	-
			318,059	217,254
U-Line Corporation				
A manufacturer of high-end, built-in, undercounter ice making, wine storage and refrigeration appliances.				
12.5% Senior Subordinated Note due 2016	\$ 893,998	04/30/04	880,062	893,997
Common Stock (B)	182 shs.	04/30/04	182,200	116,114
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	230 shs.	04/30/04	211,736	146,844
			1,273,998	1,156,955
U M A Enterprises, Inc.				
An importer and wholesaler of home décor products.				
Convertible Preferred Stock (B)	887 shs.	02/08/08	886,956	727,217

Visioneering, Inc.

A designer and manufacturer of tooling and fixtures for the aerospace industry.

10.5% Senior Secured Term Loan due

2013	\$ 753,529	05/17/07	751,351	728,832
13% Senior Subordinated Note due 2014	\$ 648,530	05/17/07	619,536	616,569
18% PIK Convertible Preferred Stock (B)	37,381 shs.	03/13/09	72,519	-
Common Stock (B)	123,529 shs.	05/17/07	123,529	-
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	35,006 shs.	05/17/07	55,055	-
			1,621,990	1,345,401

CONSOLIDATED SCHEDULE

OF INVESTMENTS Babson Capital Corporate
(CONTINUED) InvestorsMarch 31, 2012
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Vitex Packaging Group, Inc.				
A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags.				
10% Senior Subordinated Note due 2012	\$ 196,330	10/29/09	\$ 195,435	\$ 190,452
5% Senior Subordinated PIK Note due 2012 (D)	\$ 850,000	06/30/07	741,532	841,967
Class B Unit (B)	767,881 uts.	10/29/09	348,058	-
Class C Unit (B)	850,000 uts.	10/29/09	780,572	658,878
Limited Liability Company Unit Class A (B)	723,465 uts.	*	433,222	-
Limited Liability Company Unit Class B (B)	182,935 uts.	07/19/04	182,935	-
* 07/19/04 and 10/29/09.			2,681,754	1,691,297
Wellborn Forest Holding Company				
A manufacturer of semi-custom kitchen and bath cabinetry.				
12.13% Senior Subordinated Note due 2014	\$ 1,721,250	11/30/06	1,638,669	1,549,125
Common Stock (B)	191 shs.	11/30/06	191,250	-
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	95 shs.	11/30/06	86,493	-
			1,916,412	1,549,125
Wheaton Holding Corporation				
A distributor and manufacturer of laboratory supply products and packaging.				
13% Senior Subordinated Note due 2017	\$ 3,000,000	06/08/10	2,774,151	3,045,000
Preferred Stock Series B (B)	2,109 shs.	06/08/10	210,924	259,169
Common Stock (B)	1,058 shs.	06/08/10	1,058	129,962
			2,986,133	3,434,131
Whitcraft Holdings, Inc.				
A leading independent manufacturer of precision formed, machined, and fabricated flight-critical aerospace components.				
12% Senior Subordinated Note due 2018	\$ 2,383,562	12/16/10	2,207,268	2,431,233
Common Stock (B)	616 shs.	12/16/10	616,438	549,771
Warrant, exercisable until 2018, to purchase				

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common stock at \$.02 per share (B)	166 shs.	12/16/10	148,003	147,726
			2,971,709	3,128,730

Workplace Media Holding Company

A direct marketer specializing in providing advertisers with access to consumers in the workplace.

13% Senior Subordinated Note due 2015

(D)	\$ 1,235,800	05/14/07	1,136,081	-
Limited Partnership Interest (B)	23.16% int.	05/14/07	115,804	-
Warrant, exercisable until 2015, to purchase				
common stock at \$.02 per share (B)	88 shs.	05/14/07	83,462	-
			1,335,347	-

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
WP Supply Holding Corporation				
A distributor of fresh fruits and vegetables to grocery wholesalers and foodservice distributors in the upper Midwest.				
14.5% Senior Subordinated Note due 2018	\$2,576,273	11/03/11	\$2,526,908	\$2,559,039
Common Stock (B)	4,500 shs.	11/03/11	450,000	331,024
			2,976,908	2,890,063
Xaloy Superior Holdings, Inc.				
A provider of melt processing components and ancillary equipment for both plastic injection molding and extrusion applications.				
15% Senior Subordinated Note due 2015	\$2,376,501	09/08/08	2,315,355	2,376,501
Common Stock (B)	283 shs.	09/08/08	283,333	476,763
			2,598,688	2,853,264
Total Private Placement Investments (E)			\$253,156,358	\$231,732,822

Babson Capital Corporate
Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
March 31, 2012
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Due Date	Shares or Principal Amount	Cost	Market Value
Rule 144A Securities - 3.14%:					
Bonds - 3.09%					
Arch Coal, Inc.	7.000	% 06/15/19	\$150,000	\$150,000	\$138,375
Audatex North America, Inc.	6.750	06/15/18	250,000	250,000	262,500
Calpine Corporation	7.500	02/15/21	750,000	771,149	800,625
Coffeyville Resources LLC	9.000	04/01/15	54,000	53,828	57,780
Community Choice Financial, Inc.	10.750	05/01/19	505,000	515,362	493,006
First Data Corporation	7.375	06/15/19	850,000	853,233	865,938
FMG Resources	7.000	11/01/15	750,000	776,325	765,000
Georgia Gulf Corporation	9.000	01/15/17	190,000	193,948	210,900
Hilcorp Energy Company	7.625	04/15/21	725,000	693,471	783,000
International Automotive Component	9.125	06/01/18	375,000	375,000	326,250
Nexeo Solutions LLC	8.375	03/01/18	40,000	40,000	39,600
Northern Tier Energy LLC	10.500	12/01/17	675,000	703,574	735,750
Pittsburgh Glass Works, LLC	8.500	04/15/16	70,000	70,000	69,650
Reynolds Group Escrow, LLC	7.750	10/15/16	750,000	793,325	793,125
SandRidge Energy, Inc.	8.000	06/01/18	360,000	363,193	367,200
Valeant Pharmaceuticals International	6.750	10/01/17	70,000	69,693	70,875
Valeant Pharmaceuticals International	7.000	10/01/20	880,000	881,836	875,600
Total Bonds				7,553,937	7,655,174
Convertible Preferred Stock - 0.00%					
ETEX Corporation (B)			777	-	-
Total Convertible Preferred Stock				-	-
Preferred Stock - 0.04%					
Ally Financial			143	45,009	119,132
TherOX, Inc. (B)			103	-	-
Total Preferred Stock				45,009	119,132
Common Stock - 0.00%					
Touchstone Health Partnership (B)			1,168	-	-
Total Common Stock				-	-
Total Rule 144A Securities				7,598,946	7,774,306
Total Corporate Restricted Securities				\$260,755,304	\$239,507,128

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Corporate Public Securities -9.55%: (A)	Interest Rate	Due Date	Principal Amount	Cost	Market Value
Bonds - 9.37%					
Affinia Group, Inc.	9.000	% 11/30/14	\$ 50,000	\$ 49,121	\$ 50,500
Alere, Inc.	9.000	05/15/16	700,000	741,526	729,750
American Axle & Manufacturing Holding, Inc.	7.875	03/01/17	750,000	640,963	774,375
Avis Budget Car Rental	9.750	03/15/20	750,000	750,000	819,375
B E Aerospace, Inc.	6.875	10/01/20	850,000	870,702	930,750
Berry Plastics Corporation (C)	5.039	02/15/15	500,000	480,480	500,000
Calumet Specialty Products Partners L.P.	9.375	05/01/19	750,000	697,941	780,000
CCO Holdings Capital Corporation	7.250	10/30/17	750,000	769,909	804,375
Chaparral Energy, Inc.	8.875	02/01/17	1,000,000	995,097	1,045,000
Chemtura Corporation	7.875	09/01/18	500,000	529,531	537,500
Clean Harbors, Inc.	7.625	08/15/16	60,000	62,255	63,150
Cooper-Standard Automotive	8.500	05/01/18	750,000	799,291	806,250
Crosstex Energy L.P.	8.875	02/15/18	225,000	221,225	239,063
Energy Future Holdings	10.000	01/15/20	400,000	403,248	434,000
Energy Transfer Equity LP	7.500	10/15/20	100,000	100,000	111,000
Evertec, Inc.	11.000	10/01/18	585,000	603,649	636,188
Fidelity National Information	7.875	07/15/20	125,000	125,000	138,750
Goodrich Petroleum Corporation	8.875	03/15/19	360,000	360,000	349,200
HCA Holdings, Inc.	7.750	05/15/21	1,000,000	1,047,437	1,033,750
Headwaters, Inc.	7.625	04/01/19	850,000	850,227	826,625
Health Management Association	6.125	04/15/16	750,000	773,069	784,688
Huntington Ingalls Industries	7.125	03/15/21	750,000	780,373	803,438
Inergy, L.P.	7.000	10/01/18	200,000	200,000	195,000
Landry's Restaurants, Inc.	11.625	12/01/15	165,000	174,113	183,769
Libbey Glass, Inc.	10.000	02/15/15	113,000	116,666	120,769
Mediacom Broadband LLC	8.500	10/15/15	750,000	767,339	772,500
Michael Foods, Inc.	9.750	07/15/18	75,000	75,000	82,406
Nexstar Broadcasting Group, Inc.	8.875	04/15/17	175,000	174,124	187,688
NRG Energy, Inc.	8.500	06/15/19	750,000	774,304	755,625
Pinnacle Foods Finance LLC	9.250	04/01/15	300,000	305,572	308,250
Precision Drilling Corporation	6.625	11/15/20	750,000	774,088	785,625
Pregis Corporation	12.375	10/15/13	1,000,000	995,133	1,005,600
Quebecor Media, Inc.	7.750	03/15/16	1,050,000	1,008,115	1,077,563
Quiksilver, Inc.	6.875	04/15/15	315,000	298,950	316,575
Spectrum Brands, Inc.	9.500	06/15/18	125,000	123,569	140,938
Sprint Nextel Corporation	6.000	12/01/16	1,000,000	1,027,215	892,500
Tekni-Plex, Inc.	8.750	11/15/13	579,000	580,703	496,493
Thermadyne Holdings Corporation	9.000	12/15/17	750,000	799,218	768,750

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors

March 31, 2012
(Unaudited)

Corporate Public Securities - (A) (Continued)	Interest Rate	Due Date	Shares or Principal Amount	Cost	Market Value
Tomkins, Inc.	9.250	% 10/01/18	\$ 297,000	\$ 297,000	\$ 328,928
Trimas Corporation	9.750	02/01/15	75,000	73,806	82,875
Tutor Perini Corporation	7.625	11/01/18	700,000	720,259	707,000
United Rentals, Inc.	10.875	06/15/16	125,000	122,447	141,563
Venoco, Inc.	8.875	02/15/19	500,000	509,511	457,500
Visteon Corporation	6.750	04/15/19	200,000	200,000	203,000
Total Bonds				22,768,176	23,208,644
Common Stock - 0.18%					
Bally Total Fitness Holding Corporation (B) (F)			29	2	5
Chase Packaging Corporation (B)			9,541	-	477
Intrepid Potash, Inc. (B)			365	11,680	8,880
Nortek, Inc. (B)			175	1	7,698
Rue21, Inc. (B)			650	12,350	19,071
Supreme Industries, Inc. (B)			125,116	267,319	400,371
Total Common Stock				291,352	436,502
Total Corporate Public Securities				\$ 23,059,528	\$ 23,645,146
Short-Term Securities:					
	Interest Rate/Yield^	Due Date	Principal Amount	Cost	Market Value
Commercial Paper - 3.23%					
Glencore Funding LLC	0.550	% 04/13/12	\$ 3,000,000	\$ 2,999,450	\$ 2,999,450
Harris Corporation	0.400	04/12/12	2,000,000	1,999,755	1,999,755
Ryder System, Inc.	0.400	04/05/12	3,000,000	2,999,867	2,999,867
Total Short-Term Securities				\$ 7,999,072	\$ 7,999,072
Total Investments	109.48	%		\$ 291,813,904	\$ 271,151,346
Other Assets	3.57				8,837,003
Liabilities	(13.05)			(32,304,707)
Total Net Assets	100.00	%			\$ 247,683,642

(A) In each of the convertible note, warrant, convertible preferred and common stock investments, the issuer has agreed to provide certain registration rights.

(B) Non-income producing security.

(C) Variable rate security; rate indicated is as of March 31, 2012.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of March 31, 2012, the value of these securities amounted to \$231,732,822 or 93.56% of net assets.

(F) Security valued at fair value using methods determined in good faith by or under the direction of the Boards of Trustees.

^ Effective yield at purchase

PIK - Payment-in-kind

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Industry Classification:	Fair Value/ Market Value	Fair Value/ Market Value	
AEROSPACE - 2.95%		BROADCASTING & ENTERTAINMENT - 0.08%	
A E Company, Inc.	\$ 366,847	HOP Entertainment LLC	\$ -
B E Aerospace, Inc.	930,750	Nexstar Broadcasting	
Merex Holding Corporation	1,546,687	Group, Inc.	187,688
Visioneering, Inc.	1,345,401	Sundance Investco LLC	-
Whitcraft Holdings, Inc.	3,128,730	Workplace Media Holding	
	7,318,415	Company	-
			187,688
AUTOMOBILE - 6.34%		BUILDINGS & REAL ESTATE - 2.61%	
American Axle & Manufacturing		K W P I Holdings	
Holding, Inc.	774,375	Corporation	2,530,336
Audatex North America, Inc.	262,500	Sunrise Windows Holding	
Avis Budget Car Rental	819,375	Company	3,013,488
Cooper-Standard Automotive	806,250	TruStile Doors, Inc.	217,254
F H Equity LLC	3,253,789	Tutor Perini Corporation	707,000
International Automotive Component	326,250		6,468,078
J A C Holding Enterprises, Inc.	2,265,417	CHEMICAL, PLASTICS & RUBBER -1.16%	
Jason Partners Holdings LLC	48,185	Capital Specialty Plastics,	
K & N Parent, Inc.	2,931,370	Inc.	1,190,167
Nyloncraft, Inc.	800,703	Nicoat Acquisitions LLC	1,674,489
Ontario Drive & Gear Ltd.	1,828,381		2,864,656
Pittsburgh Glass Works, LLC	69,650	CONSUMER PRODUCTS -	
Qualis Automotive LLC	987,214	9.25%	
Tomkins, Inc.	328,928	Aero Holdings, Inc.	2,809,688
Visteon Corporation	203,000	Bravo Sports Holding	
		Corporation	570,398
BEVERAGE, DRUG & FOOD - 7.03%		Custom Engineered Wheels,	
Eatem Holding Company	3,201,984	Inc.	2,333,232
F F C Holding Corporation	3,299,292	Handi Quilter Holding	
Golden County Foods Holding, Inc.	-	Company	1,526,416
Hospitality Mints Holding Company	2,720,444	K N B Holdings Corporation	4,491,143
Landry's Restaurants, Inc.	183,769	Manhattan Beachwear	
		Holding Company	2,955,874
		R A J Manufacturing	
	15,705,387	Holdings LLC	1,589,156
		Tranzonic Companies (The)	3,732,796
		WP Supply Holding	
		Corporation	2,890,063
			22,898,766
		CONTAINERS, PACKAGING & GLASS -5.06%	
		Berry Plastics Corporation	500,000
			477

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Michael Foods, Inc.	82,406	Chase Packaging Corporation	459,192
Snacks Parent Corporation	2,933,626	Flutes, Inc.	3,580,311
Spartan Foods Holding Company	2,174,550	P K C Holding Corporation	3,195,941
Specialty Commodities, Inc.	2,826,398	P P T Holdings LLC	1,594,391
	17,422,469	Paradigm Packaging, Inc.	1,005,600
		Pregis Corporation	496,493
		Tekni-Plex, Inc.	1,691,297
		Vitex Packaging Group, Inc.	12,523,702

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors

March 31, 2012

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value	
DISTRIBUTION - 2.55%		DIVERSIFIED/CONGLOMERATE, SERVICE - 10.17%	
Duncan Systems, Inc.	\$ 1,159,443	A S C Group, Inc.	\$ 3,248,305
F C X Holdings Corporation	3,662,300	A W X Holdings Corporation	661,500
		Advanced Technologies	
RM Holding Company	1,497,433	Holdings	1,238,106
	6,319,176	Affinia Group, Inc.	50,500
		Apex Analytix Holding	
DIVERSIFIED/CONGLOMERATE,		Corporation	2,511,999
		Associated Diversified	
MANUFACTURING - 16.91%		Services	1,834,867
		Church Services Holding	
A H C Holding Company, Inc.	2,974,523	Company	1,482,631
		Clough, Harbour and	
Arrow Tru-Line Holdings, Inc.	1,294,108	Associates	2,761,733
C D N T, Inc.	1,314,257	Crane Rental Corporation	2,213,798
F G I Equity LLC	4,163,529	ELT Holding Company	2,962,368
		Insurance Claims	
G C Holdings	3,060,000	Management, Inc.	494,905
		Mail Communications Group,	
Harris Corporation	1,999,755	Inc.	465,290
HGGC Citadel Plastics Holdings	2,956,702	Nexeo Solutions LLC	39,600
		Northwest Mailing Services,	
Ideal Tridon Holdings, Inc.	3,027,477	Inc.	3,007,783
K P H I Holdings, Inc.	3,063,757	Pearlman Enterprises, Inc.	-
K P I Holdings, Inc.	2,605,689	Safety Infrastructure Solutions	2,235,167
LPC Holding Company	3,035,227		25,208,552
MEGTEC Holdings, Inc.	632,005	ELECTRONICS - 1.63%	
Nortek, Inc.	7,698	Barcodes Group, Inc.	2,606,494
O E C Holding Corporation	1,449,805	Connecticut Electric, Inc.	1,433,582
Postle Aluminum Company LLC	5,159,611		4,040,076
		FINANCIAL SERVICES -	
Trimas Corporation	82,875	1.77%	
Truck Bodies & Equipment			
International	2,194,064	Ally Financial	119,132
		Community Choice Financial,	
Xaloy Superior Holdings, Inc.	2,853,264	Inc.	493,006
	41,874,346	DPC Holdings LLC	2,981,350
		Reynolds Group Escrow, LLC	793,125
			4,386,613

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value		Fair Value/ Market Value
HEALTHCARE, EDUCATION & CHILDCARE - 9.32%		MACHINERY - 6.95%	
Alere, Inc.	\$ 729,750	A S A P Industries LLC	\$ 1,117,777
American Hospice Management Holding LLC	4,149,439	Arch Global Precision LLC	2,965,980
CHG Alternative Education Holding Company	2,348,973	E S P Holdco, Inc.	2,842,629
Healthcare Direct Holding Company	2,228,412	M V I Holding, Inc.	1,425,486
Marshall Physicians Services LLC	1,487,998	Motion Controls Holdings	3,209,233
SouthernCare Holdings, Inc.	3,032,438	NetShape Technologies, Inc.	1,557,270
Strata/WLA Holding Corporation	2,927,486	Pacific Consolidated Holdings LLC	567,445
Synteract Holdings Corporation	2,740,436	Power Services Holding Company	2,363,489
Touchstone Health Partnership	-	Supreme Industries, Inc. Thermadyne Holdings Corporation	400,371 768,750 17,218,430
Wheaton Holding Corporation	3,434,131 23,079,063		
HOME & OFFICE FURNISHINGS, HOUSEWARES & DURABLE CONSUMER PRODUCTS - 4.58%		MEDICAL DEVICES/BIOTECH - 5.35%	
Connor Sport Court International, Inc.	1,963,007	Chemtura Corporation	537,500
H M Holding Company	342,550	Coeur, Inc.	1,361,419
Home Décor Holding Company	514,691	E X C Acquisition Corporation	47,946
Libbey Glass, Inc.	120,769	ETEX Corporation	-
Monessen Holding Corporation	-	Evertec, Inc.	636,188
Quiksilver, Inc.	316,575	HCA Holdings, Inc.	1,033,750
Royal Baths Manufacturing Company	573,551	Health Management Association	784,688
Spectrum Brands, Inc.	140,938	MedSystems Holdings LLC	1,312,763
Stanton Carpet Holding Company	2,072,264	MicroGroup, Inc.	671,403
Transpac Holding Company	1,864,110	NT Holding Company	3,049,685
		OakRiver Technology, Inc. Precision Wire Holding Company	916,637 2,888,702

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U-Line Corporation	1,156,955	TherOX, Inc.	-
U M A Enterprises, Inc.	727,217		13,240,681
Wellborn Forest Holding Company	1,549,125 11,341,752	MINING, STEEL, IRON & NON-PRECIOUS METALS - 1.65%	
LEISURE, AMUSEMENT & ENTERTAINMENT- 0.00%		FMG Resources	765,000
Bally Total Fitness Holding Corporation	5	Glencore Funding LLC T H I Acquisition, Inc.	2,999,450 319,134 4,083,584

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors

March 31, 2012

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value		Fair Value/ Market Value
NATURAL RESOURCES - 0.63%			
Arch Coal, Inc.	\$ 138,375		
Georgia Gulf Corporation	210,900		
Headwaters, Inc.	826,625		
Intrepid Potash, Inc.	8,880		
SandRidge Energy, Inc.	367,200		
	1,551,980		
OIL & GAS - 4.83%			
Calumet Specialty Products Partners L.P.	780,000		
Chaparral Energy, Inc.	1,045,000		
Coffeyville Resources LLC	57,780		
Energy Transfer Equity LP	111,000		
Goodrich Petroleum Corporation	349,200		
Hilcorp Energy Company	783,000		
International Offshore Services LLC	1,275,000		
MBWS Ultimate Holdco, Inc.	5,580,625		
Northern Tier Energy LLC	735,750		
Precision Drilling Corporation	785,625		
Venoco, Inc.	457,500		
	11,960,480		
PHARMACEUTICALS - 1.72%			
CorePharma LLC	3,321,199		
Valeant Pharmaceuticals International	946,475		
	4,267,674		
PUBLISHING/PRINTING - 0.54%			
Newark Group, Inc.	259,422		
Quebecor Media, Inc.	1,077,563		
	1,336,985		
RETAIL STORES - 0.19%			
Pinnacle Foods Finance LLC	308,250		
Rue21, Inc.	19,071		
United Rentals, Inc.	141,563		
	468,884		
TECHNOLOGY - 1.59%			
Fidelity National Information	138,750		
First Data Corporation	865,938		
Sencore Holding Company	-		
TELECOMMUNICATIONS - 1.54%			
All Current Holding Company		\$ 1,354,569	
CCO Holdings Capital Corporation		804,375	
Mediacom Broadband LLC		772,500	
Sprint Nextel Corporation		892,500	
		3,823,944	
TRANSPORTATION - 1.6%			
Huntington Ingalls Industries		803,438	
NABCO, Inc.			
Ryder System, Inc.		156,250	
		2,999,867	
		3,959,555	
UTILITIES - 0.98%			
Calpine Corporation		800,625	
Crosstex Energy L.P.		239,063	
Energy Future Holdings			
Inergy, L.P.		434,000	
NRG Energy, Inc.		195,000	
		755,625	
		2,424,313	
WASTE MANAGEMENT/POLLUTION - 0.5%			
Clean Harbors, Inc.		63,150	
Terra Renewal LLC		1,187,385	
Torrent Group Holdings, Inc.		-	
		1,250,535	
		Total Investments - 109.48%	\$ 271,151,346

Smart Source Holdings LLC	2,920,869
	3,925,557

FAIR VALUE HIERARCHY

The Company categorizes its investments measured at fair value in three levels, based on the inputs and assumptions used to determine fair value. These levels are as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

The following is a summary of the inputs used to value the Trust's net assets as of March 31, 2012:

Assets:	Total	Level 1	Level 2	Level 3
Restricted Securities				
Corporate Bonds	\$ 196,367,082	\$ -	\$ 7,655,174	\$ 188,711,908
Common Stock - U.S.	19,864,183	-	-	19,864,183
Preferred Stock	9,847,708	-	119,132	9,728,576
Partnerships and LLCs	13,428,155	-	-	13,428,155
Public Securities				
Corporate Bonds	23,208,644	-	23,208,644	-
Common Stock - U.S.	436,502	436,497	-	5
Short-term Securities	7,999,072	-	7,999,072	-
Total	\$ 271,151,346	\$ 436,497	\$ 38,982,022	\$ 231,732,827

See information disaggregated by security type and industry classification in the Consolidated Schedule of Investments.

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

Assets:	Beginning balance at 12/31/2011	Included in earnings	Purchases	Sales	Prepayments	Transfers in and/or out of Level 3	Ending balance at 03/31/2012
Restricted Securities							
Corporate Bonds	\$ 190,217,815	\$(568,003)	\$ 15,641,308	\$(5,253,776)	\$(11,325,436)	\$-	\$ 188,711,908
Common Stock - U.S.	21,607,181	(132,804)	1,134,180	(2,744,374)	-	-	19,864,183
Preferred Stock	12,275,194	(1,487,099)	370,796	(1,430,315)	-	-	9,728,576

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Partnerships and LLCs	13,205,570	222,585	-	-	-	-	13,428,155
Public Securities							
Common Stock	7	(2)	-	-	-	-	5
	\$237,305,767	\$(1,965,233)	\$17,146,284	\$(9,428,465)	\$(11,325,436)	\$-	\$231,732,827

ITEM 2. CONTROLS AND PROCEDURES.

(a) The principal executive officer and principal financial officer of the Registrant evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as of a date within 90 days of the filing date of this report and based on that evaluation have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There have been changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act)("internal controls") that occurred during the Registrant's last fiscal quarter. The Registrant's investment adviser, Babson Capital Management LLC, who maintains the Registrant's internal controls, revised its internal controls to oversee State Street Bank & Trust who now provides certain administrative and accounting services to the Registrant.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) are attached hereto as an exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Babson Capital Corporate Investors

By (Signature and Title)*

/s/ Michael L. Klofas

Michael L. Klofas, President

Date May 30, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title)*

/s/ Michael L. Klofas

Michael L. Klofas, President

Date May 30, 2012

By (Signature and Title)*

/s/ James M. Roy

James M. Roy, Vice President and
Chief Financial Officer

Date May 30, 2012

* PRINT THE NAME AND TITLE OF EACH SIGNING OFFICER UNDER HIS OR HER SIGNATURE.